

# Memorandum

Date: May 31, 2002  
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To : Robert Pernel, Presiding Member  
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: California Energy Commission - James W. Reede, Jr.  
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Subject : **EL SEGUNDO POWER REDEVELOPMENT PROJECT STATUS REPORT #4**

Since the Committee issued their schedule on April 19th, staff has received the final critical path item from the Applicant. The visual enhancement proposal was submitted on May 14, 2002, for staff review. As a consequence of that submittal, staff held a workshop on May 22, 2002 to discuss the information submitted. Staff received input from the Coastal Commission, intervenors and the public related to the proposal. The Applicant has agreed to address staff and others' concerns and resubmit the document as a supplement to the AFC in mid-June.

The applicant has agreed to a one-month delay of the issuance of the Supplement to the Staff Assessment until July 22, 2002. (The Committee Schedule currently calls for the Supplemental Staff Assessment to be released on June 24, 2002.) This stipulated schedule extension will enable staff to incorporate the new information into various sections of the Supplement. The applicant also intends to use this time extension to address and attempt to resolve the other remaining issues.

Staff has worked diligently toward completion of the Supplement to the Staff Assessment and has completed most sections requiring additional testimony except for the items identified below.

## **Significant Issues:**

### **LAND USE**

On April 24, 2002, the State Lands Commission informed staff that the 49-year lease for the El Segundo ocean-cooling intakes and outfalls 001 & 002 expires on October 26, 2002. As a consequence of the information, CEC staff met with the Lands Commission staff on May 7<sup>th</sup>, to share information and discuss joint-agency related issues. CEC staff agreed to the request by Lands staff that we provide them all information relating to the AFC review and analysis process including the Final Staff Assessment, which they plan to use for their CEQA review of the lease renewal. Lands staff expressed concern that no aquatic biological entrainment data had ever been collected at the intakes and noted that if there were found to be impacts, a modification to the intake may be necessary to mitigate adverse impacts to the extent feasible.

### **BIOLOGICAL RESOURCES**

The staff supplement to the Biological Resources section is close to being finalized. However, the issues concerning the aquatic biological impacts and a 316(b)-like study remain unresolved. Consequently, staff lacks information essential to completing its

analysis, and it appears that the results of a 316(b) study, as staff originally requested, are still necessary.

Due to staff's concerns over the lack of valid 316(b)-like study results to support the continued use of once through cooling, staff has begun an Alternative Cooling Options Study that could identify feasible methods to lessen or eliminate the potential aquatic biology impacts altogether. Staff will file this report in the near future for review and comment.

Staff remains willing to bifurcate the Biological Resources section of the Supplement to the Staff Assessment pending the outcome of a 316(b)-like study.

### **AIR QUALITY**

The Final Determination of Compliance (FDOC) was issued February 14, 2002. Staff has completed their supplement to the staff assessment and at this point is unable to recommend approval of the project due to the significant and unmitigated PM10 emissions impacts. Impacts that have not been resolved include:

1. Direct project PM10 impacts stemming from a SCAQMD seldom-used Rule 1304 implementation. Rule 1304 allows exemption from standard district offset rules when there is a replacement of a utility boiler with a combustion turbine. This rule requires the applicant to only offset 45% of their emissions based on the increase of capacity. This exemption however, does not abrogate the Commission's CEQA certification responsibilities;
2. Cumulative PM10 impacts stemming from the ESGS project and the adjacent Chevron Refinery MTBE cracking unit change-out and upgrade. The Chevron project is due to the MTBE ban implementation and ethanol changeover and does not have full mitigation either; and
3. The projections and high potential of secondary PM10 generation from an excess of unmitigated SOx emissions.

### **VISUAL RESOURCES**

There are still visual resource issues outstanding. The Coastal Commission made a finding at its March meeting that the plant site area is visually degraded, and that the project is inconsistent with the Coastal Act. This required the Applicant to enhance the visual quality of the project.

The Applicant submitted new Visual information on May 14, 2002. Staff held an Issues Workshop in El Segundo on May 22. The proposal appeared to address many of the concerns of staff, Coastal Commission and intervenors.

The issues pending final resolution via a supplement to the AFC are the architectural treatment of the facility, the tank farm plan, and the height and landscaping of a berm along the southern side of the property. Staff anticipates that these visual issues will be resolved when the Applicant addresses the concerns expressed during the workshop into the AFC as a supplement.

### **NOISE**

Staff has completed its Noise supplement.

### **SOIL AND WATER**

The Staff Assessment of June 15, 2001 identified the need for the ESPR to conform with California Water Code section 13550, which requires the use of reclaimed water where available. Based on the outcome of the Alternative Cooling Analysis currently under review, the issues may change relating to reclaimed and potable water usage. Staff will revisit the project design to determine compliance.

### **TRANSMISSION SYSTEMS ENGINEERING**

In December of 2001 the California ISO requested that SCE perform a new Facilities Study for the proposed project due to a number of proposed projects in the queue ahead of ESGS dropping out. During that restudy, an additional project dropped out of the interconnection queue and the Applicant was asked to pay for an additional study even though the restudy had not been completed. The Applicant asked for the CEC staff to help resolve the issues with SCE, which we are doing. However, until these issues are resolved staff can not complete its analysis nor its supplement to the Staff Assessment.

### **SCHEDULE**

Three unresolved issues warrant a delay in the schedule. The applicant will be submitting a Supplement to the AFC in mid-June addressing visual enhancement. Transmission issues are still unresolved between the Applicant and SCE. Finally, Biological Resource issues are still being addressed. This one-month delay in filing the Supplement to the SA that the applicant has agreed to may allow time for these issues to be addressed.

**Community and Agency Interest:** The ESPR project is being closely followed by the beach communities of El Segundo and Manhattan Beach. About 50 members of local neighborhoods have attended the public workshops held in the past.

cc: El Segundo Proof of Service